

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 17, 2013

TO: Honorable Tryon D. Lewis, Chair, House Committee On Judiciary & Civil Jurisprudence

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1254 by Thompson, Senfronia (Relating to transactions involving the assignment of rights in an individual's legal claim; authorizing the imposition of a fee.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1254, As Introduced: an impact of \$0 through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	\$0
2015	\$0
2016	\$0
2017	\$0
2018	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from General Revenue Fund 1
2014	(\$15,000)	\$15,000
2015	\$0	\$0
2016	(\$6,000)	\$6,000
2017	\$0	\$0
2018	(\$6,000)	\$6,000

Fiscal Analysis

The bill would amend the Business and Commerce Code relating to transactions involving the assignment of rights in an individual's legal claim. The bill would require TDLR to license Civil Justice Funding companies by January 1, 2014 and require the companies to renew their licenses every two years on September 30.

This bill does not allow TDLR to sanction or penalize any violators as the bill is written.

The bill would take effect September 1, 2013.

Methodology

Based on information provided by TDLR, it is assumed that costs associated with licensing Civil Justice Funding companies would be \$15,000 in the first year and \$6,000 in the first year of each subsequent biennium. For the purposes of this analysis, it is assumed that 30 licensees will be licensed with an initial application fee of \$500 and a two year renewal fee of \$200 in the first year of each subsequent biennium. It is also assumed that revenues from licensing and renewal fees would offset any costs to TDLR while administering the provisions of the bill because the agency is statutorily required to generate revenues necessary to cover its direct and indirect costs of operation.

Based on the information provided by the Comptroller of Public Accounts, State Office of Administrative Hearings, and the Office of the Attorney General, this analysis does not include any costs for these agencies as it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 360 State Office of Administrative Hearings, 452 Department of Licensing and Regulation

LBB Staff: UP, CL, MW, CWS, JJO